[redacted]

SECRET FRP: [redacted]

[redacted]

PAGE 001
TOI: 17 [redacted] NOV 79

[redacted]

LATIN AMERICA BRIEF [redacted] FOR 16 NOVEMBER 1979

[redacted]

1. BOLIVIA: NATURAL RESIGNS

[redacted]

1. // BOLIVIA: COLONEL NATUSCH HAS BEEN FORCED TO RESIGN. THE PRESIDENT OF THE CONGRESS SAID THAT A NEW EXECUTIVE WOULD BE ANNOUNCED ON 16 NOVEMBER.// [redacted]

[redacted] ONE OF THE FIRST CHALLENGES FACING THE NEW GOVERNMENT WILL BE TO OBTAIN THE COOPERATION OF THE CONGRESS AND THE LEFTIST-LED LABOR MOVEMENT IN DEALING WITH THE COUNTRY'S SEVERE FINANCIAL CRISIS. BEFORE STEPPING DOWN, NATUSCH IMPOSED SHARP RESTRICTIONS ON FOREIGN CURRENCY TRANSACTIONS IN ORDER TO STEM THE EROSION OF FOREIGN EXCHANGE RESERVES, WHICH WERE DOWN TO $10 MILLION. THE GOVERNMENT ALSO ORDERED COMMERCIAL BANKS AND THE MONEY EXCHANGE HOUSES TO CLOSE. PANIC BUYING SINCE NATUSCH'S COUP ON 1 NOVEMBER HAS LED TO SHORTAGES AND INCREASED IN-

SECRET

b(1) b(3)

[redacted] Approved for Release
FEB 2000

FLATION BEYOND THE RECENT 25 PERCENT ANNUAL RATE./[redacted]

END OF MESSAGE